

MINUTES
May 9, 2002

Seattle City Employees' Retirement System
Regular Board Meeting

Thursday, May 9, 2002 - 9:30 a.m.
Seattle Metropolitan Credit Union
Conference Room – 3rd Floor

Present: Dwight Dively, Jim Fletcher, Lou Walter, John Curtin and Frank Mathews.

Absent: Jan Drago and Norma McKinney.

Also Present: Roger Howeiler – ARSCE, Al Lunn – ARSCE, Ed Kidd – ARSCE, Ken Leask – ARSCE, Eddie Haw – ARSCE, Russ Teller – ARSCE, Jim Coover – ARSCE, Jesse Tapp – ARSCE, Walt North – ARSCE, Ken Hunich – ARSCE, John D. Love – ARSCE/Transit, Bud Eichstadt – ARSCE, Mel Robertson and Norm Ruggles.

Public Comment: Eddie Haw acknowledged the presence of Al Lunn at the meeting, and introduced him as a prior Executive Director of the System. Roger Howeiler commented that the System has only had 4 Executive Directors since 1929, and 3 are present at this meeting.

Minutes:

Upon motion by John Curtin, seconded by Lou Walter, the Retirement Board approved the minutes from the April 4, 2002 Retirement Board meeting.

Ratification of Retired Payroll, Office Payroll, other Billings and Withdrawals:

Information: The following items represent normal expenses and nothing extraordinary.

Service	\$ 4,611,825.28
Disability	49,193.85
Beneficiary	594,351.61

Pension Payroll – April 2002	\$ 5,255,370.74
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Office Payroll - pay period ending March 26, 2002	\$ 22,860.09
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Office Payroll - pay period ending April 9, 2002	\$ 22,674.41
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Vouchers Processed - from March 26, 2002 through April 23, 2002	\$ 332,972.25 *
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* \$ 279,603.38 Expert and Consultant Services

Upon motion by Dwight Dively, seconded by Lou Walter, the Board ratified the Retired Payroll, Office Payroll, other Billings and Withdrawals.

Immediate Withdrawal of Contributions

Member	<u>Department</u>	<u>Position</u>
Anderson, Kathleen P	TES	Admin Spec I
Bencik, Michael J	TES	Admin Assistant
Benson, Ellen J	SPU	Equal Employment Coord
Conway, Kimberlee A	Neighborhood	Admin Spec II
Durham, Robert Lee	Light	Power dispatcher
Gruber, Candace Josephine	Executive	Manager I
Hager, Gerald William	TES	Laborer
Hansen, Kimberly Rae	SPU	Accounting Tech II
Hardy, Erica L	HSD	Personnel Specialist
Haskell, Grant L	Seattle Center	Security Officer
Haverly, Monna M	ESD	Admin Spec I
Hill, Janis Eileen	SPU	Watershed Resources Tech
Jones, Thomas W	SEATRAN	Maint Laborer
Lee, Heidi Ruth	SPU	Utility Service Rep
McReynolds, Cheryl Jean	Police	Admin Spec I
Mendoza, Benito	DAS	Data Control Tech
Minato, Linda K	Personnel	Public Info Spec
Moimoi, Lasike	SEATRAN	Street Maint
Murphy, Alise R	Library	Library Associate II
Pierce, Sherilyn Marie	Light	Accounting Tech II
Scholz, Camille-Isabel Y.	SPU	Admin Spec II
Steven, Paula A	Light	Admin spec II
Valdez, Roger B	Neighborhoods	Strategic Advisor 2
Welfelt, Jeannine M	Park	Laborer

Ratification of Service Retirements:

Information: The following list represents the retirements that have been processed since the last Retirement Board meeting.

<u>Member</u>	<u>Retired</u>	<u>Years</u>	<u>Days</u>	<u>Department</u>	<u>Position</u>	<u>Age</u>	<u>Option</u>
Aegerter, Robert	03/15/2002	2	145	Dual Member	Vested	66	S
Brown, Dale G.	03/02/2002	14	26	Parks	Laborer	62	C5,G-50
Creighton, Carolyn C.	04/03/2002	11	189	Police	Admin Spec 1	62	C5
Cruse, Sally M.	04/02/2002	8	7	Police	Warrant Officer	63	S,G-50
Detore, Katherine	03/29/2002	27	352	Muni Courts	Court Clerk	58	B
Diehl, Edward J.	04/06/2002	32	101	SEATRAN	Truck Driver	52	A,G-50
Echert, James	12/20/2001	17	175	ESD	Strategic Advisor 3	51	19b
Gardner, Karen	03/30/2002	27	124	Parks	Gardener	58	A
Goldberg, Walter	04/10/2002	10	127	Muni Courts	Probation Supervisor	57	C5
Green, Paula	04/06/2002	26	229	City Light	Executive 3	54	C20
Henderson, Samuel	04/10/2002	31	47	City Light	Electrical-Constructor	52	E
Knobbs, Robert R.	04/01/2002	30	125	Metro Transit	Transit Operator Supervisor	62	E
Lim, Rafael L.	03/02/2002	24	182	K.C. Health	Plumbing Inspector	66	C20,G-10
Mach, Quang	04/10/2002	21	197	Fleets & Facilities	Accounting Tech	66	E,G-100
Miller, Pamela J.	03/16/2002	28	241	SPU	Capital Projects	54	E,F
Moreau, Alice	04/02/2002	13	267	ESD	Administrative Specialist I	70	C5
Ono, Glenn	10/14/2001	27	209	SPU	Civil Engineering Spec., Sr.	50	19b
Peterson, Kathleen	03/20/2002	21	255	Police	Assistant Executive	59	A
Prepotente Jr., Jose	12/25/2001	16	67	ESD	Building Operating Engineer	58	19b
Provence, Roberta L.	04/06/2002	22	116	Police	Parking Enforcement	64	B
Robinson, Ruth A.	04/01/2002	9	29	Dual Member	Vested	62	S
Willanger, Steinar A.	04/10/2002	22	170	ESD	Property Rehabilitation	54	C15,F,G-50
Willey, Irene	03/06/2002	28	352	K.C. Health	Public Health Nurse	57	E

Upon motion by Dwight Dively, seconded by Lou Walter, the Retirement Board approved the service retirements listed above, pending final review.

Ratification of Investment Transactions and Statement of Securities and Cash:

Upon motion by Frank Mathews, seconded by Dwight Dively, the Retirement Board approved the Investment Summary report.

Investment Committee Report:

It was announced that the Investment Committee is scheduled to meet at noon on Thursday, May 30, 2002 with the Investment Advisory Committee and our performance measurement consultant, Wurts and Associates, to review the investment performance for the first quarter of 2002.

Norm reported that at the April 25, 2002 Investment Committee meeting, Mel gave a thorough description of possible real estate and alternative investment types. Mel has been researching these possibilities. In coming months, the Committee will interview real estate and alternative investment managers, and will bring recommendations to the Board for these asset classes.

Executive Director Report:

The following summarizes the Executive Director's monthly report to the Board:

A reception will be held immediately prior to the June 6, 2002 Board meeting to thank Jim Fletcher for his service as a Board member and to welcome Mary Norris to the Board. For the July Board meeting, Norm was asked by the Board to determine whether July 3 or July 11 would be the best meeting date for a majority of Board members.

Norm reported that he had discussed with the actuaries ARSCE's request for doubling the "13th checks" until the 95% funding ratio has been reached, as well as the request to expand the pop-ups for Retirement Options D and E. The actuaries will be prepared to discuss the costs and funding impacts of these possible additional benefits at the June Board meeting, after the January 1, 2002 actuarial valuation has been completed.

The Retired City Light Employees Association (RCLEA) has requested that they be sent a monthly list of retired City Light employee deaths. Norm and Mel said staff could comply with the request. Upon motion by Frank Mathews, seconded by Dwight Dively, the Board approved the RCLEA request.

The Deloitte and Touche firm is working on the 2001 audit. They have spent several days reviewing materials in the Retirement Office. Norm said that the audit is proceeding on schedule, and this will enable production of the 2001 Annual Report to also proceed on a normal schedule.

The Milliman contract for actuarial services expires on June 30, 2002 and Norm is reading the proposals submitted by firms in response to our RFP. Interviews of finalist candidates will be held in May. Jim Fletcher, Mel and Norm will be the review committee, and they will make a recommendation to the Board after the interviews.

Old Business:

(1) Status of Benefit Enhancements

Norm informed the Board that the estimated current funding level of the Retirement Fund is 85.84% as of March 31, 2002.

New Business:

(1) Board Election

Norm stated that notice was sent to all Retirement System members and retirees giving them an opportunity to apply for election to a position on the Retirement Board which will be available on July 1, 2002. Mary Norris filed a timely application. There were no opposing candidates.

Upon motion by Frank Mathews, seconded by Dwight Dively, the Retirement Board declared Mary Norris the winner of the election to serve a 3-year term on the Board beginning July 1, 2002.

Lou Walter discussed training that might be available to Board members regarding fiduciary responsibilities and investments. Staff was asked to consider whether the Board may authorize training expenses for new Board members before their term begins. John Curtin said Board members might benefit from additional educational opportunities other than the NCPERS or GFOA conferences.

Upon motion by Lou Walter, seconded by John Curtin, the Retirement Board voted to have staff develop a draft policy regarding the training and education of Board members.

(2) Disability Retirement Applications for Stanley Carman and Kathleen Merrigan.

The Disability Committee recommended the Board approve both disability retirement applications, subject to periodic reevaluations.

John Curtin asked about the disability applications and reevaluation process. Mel described the procedures followed.

Upon motion by Lou Walter, seconded by Dwight Dively, the Retirement Board approved the disability retirement applications for Stanley Carman and Kathleen Merrigan, subject to periodic reevaluations.

Adjournment

Upon motion by Lou Walter, seconded by Dwight Dively, the Retirement Board voted to adjourn the meeting at 10:26 a.m.

Norma McKinney, Secretary